G. R. S. 58

*Previous references.*

97153 P3 M1-2 A Ap 1914

1914.

( 907 )

File No. 19 of 14

Serial Nos. 1-2 3 6

*Later references.*

LB 123-1781-11.

# GENERAL AND REVENUE SECRETARIAT.

---

*Serial Nos.* 1-2-3 +6

Part B. for Nov 1914

---

SUBJECT.

Financing the Bangalore Chickballapur Light Railway.

---

1) The Offg Secty for Rep No 300 d 7-8-14
forwards for disposal Comptroller's Letter No 753 Re. 161
d 3-8-14 regarding deficiency Share Capital of B. C. Light Rg.

2) To Comptroller & Govt. P. W. & Rg Branch
FC 872 d 22-8-14
Requests to be informed whether any definite proposals
in the matter of Govt aid to make up the required Capital
have been received from the Chairman & if not, to call for the same

3) From the Chairman, Bangalore Chickballapur Light Rg Coy
No 442 d 26-8-14.
States that the Directors of the Light Rg Coy have decided to
apply to the Govt of Mysore for financial help & requests that

GPB—8,000—7-4-07

to contribute the balance of capital required for the completion of the Bangalore Chickballapur Rly sharing the profits there of proportionately

6) The Secretary to Govt. Public Works Rly Branch
Secty for Rlys. Chairman B C & L Rly Coy
The secty to Govt. Public Works. Dept.

Directed that the balance of amount required for the completion their equipment of the B.C.L. Rly (say about 5 lakhs) be arranged in their at 4½ p. of the be contributed by Govt.

[illegible]

G.R.S. 11] 1914-15

GENERAL AND REVENUE SECRETARIAT.

(Gl Fins)

NOTES.

File No. 19

FILE HEADING.

Financing the Bangalore - chickballapur Light Railway

From

The Offg. Secretary for Railways

No. 300 Dated 7 - 8. 1914 Received 13. 8. 1914

| Diary No. 639 | Enclos. | Spare Copies. | Serial No. |
|---|---|---|---|

BRIEF ABSTRACT OF LETTER.

Forwards for disposal Comptroller's letter no. 755/R.C 161. dt. 1/3 - 8. 1914. regarding the deficiency in the Share Capital of the Bangalore - chickballapur Light Railway.

NOTES AND ORDERS.

V
W

Agreeably to the orders of the Financial Secretary dt 27.8.1913 the Comptroller. P.W & R^y was requested in this office no. R 1442/13-63 dt 8.9.1913 to report to Govt of any deficiency in the paid up Capital of the Bangalore - chickballapur Light Railway.

2 The Comptroller reports that the Chairman of the B.C.R^y. Rate-

NOTES—First Sheet.

GPB—35,000—15 6-12

General and Revenue. Secretariat.

File No. 19 of 1914-15

Serial No.

the Board of Directors have decided upon applying to Govt for a loan of 5 lakhs of rupees.

Rtd. 3 Statements of moneys sanctioned and 4/7/8. of the past payments to Companies?

K 18/8/14

In the Budget for 1914-15, a sum of Rs 10 lakhs has been provided under "outlay on subsidised Railways" vide page 6(b) Pt II of the General Statement of Receipts and Disbursements for 1914-15.

N.31, SW 18/8/14 18/8/14

5- This amount which falls short may be advanced from the ten lakhs provided for subsidised Companies & a loan in the first instance. Any sum that may finally remain unrecovered can be treated as a subvention. Now that Kolar-Jalarpet line has been sanctioned it becomes advisable to open negotiations with the Mysore Govt. regarding the Kolar-Jalarpet line.

K 18/8/14

6 1) Have the definite proposals referred to in the chairman's letter of 17-7-1914 been received? If not please call for urgent

2) On receipt deal with on the lines

NOTE—Contn. sheet.

GPB—10,000-13-6-14

General and Revenue Secretariat.

F File No. 19 of 1914-15.

Serial No.

indicated in paras 4 & 5 of the Dewan's submission note of 19th July 1913.

M
19/8

& Call Advice
K
10/8/14

9 Subd. with a draft letter
SN
20/8/14 10 June
K
20/8/14

2 To
The Comptroller to Govt.
P. W. & Ry. Branch
No. FR: 872 D. 22-8-14.
Requests to be informed
whether any definite proposals
in the matter referred to in para 3
of letter No. 78 D. 17-7-14. from
the Chairman of the Bangalore
Chickballapur Light Railway
Company (i.e. seeking Govt.
aid to make up the required
capital) have been received
and if not to call for the
same from the Chairman

NOTE—Contn. sheet.

GPB—10,000-13-6-14

G. R. S. 12]

General and Revenue Secretariat.

§7 File No. 19 of 1914-15

Serial No.

the total amount already collected and Expected to be collected by the end of this year is about 7 lakhs and that out of this the amount available for Expr in the Current year would be about 2,06,606 Rs. What the Exact amount to be contributed for the current years Expr is, may be ascertained from Compr P.W. Phys and I Suppose only this amount need be contributed now.

14) The Company says that for the fort Contribution the fort may divide profits proportionately with the Company. It is for Consideration if this will Suit the fort or if fort would like to take instead ~~on~~ a fixed Rali q. interest as mentioned in para 4 of Dewans Submission ncti dated 19-9-14.

17 Secy) 19.9.14

Dy Compr

15) Please put up a draft embodying exactly what the terms should be on which fort help will be given, after discussing personally

Early

16) A draft is accordingly put up — 21/9/14

complete 17) The draft put up may be approved

for Please get a neat typed copy of the draft made before submission

NOTE—Contn. sheet.

GPB—10,000—13-6-14

G.R.S. 12 ]
General and Revenue Secretariat.

G.F. File No: 19 of 1904

Serial No.

1480

In the last paragraph of the draft order put up it is stated that the surplus profits after paying interest at 4 per cent. on the capital contributed by the Company and Government, will be equally divided between them. The Dewan desires that it may be kindly explained why the profits should be divided equally when the contribution of capital is not equal on both sides.

By Order,

Private Secretary to Dewan.

Financial Secretary.

As guarantors Government are entitled to half the surplus profits. It is only one half that is available for Division between the Company and Government and the Division should be in the ratio of their respective contributions to Capital Expenditure. The draft is not quite clear as it stands and the last para may be amplified as under. The arrangement is similar to that contemplated for the Shimoga and Kolar Railways.

"Of the surplus left after paying interest 4 percent on the Capital contributed by the Company and Government half will go to Government as --

NOTE—Contn. sheet.

G. R. S. 12]

General and Revenue Secretariat. | File No. of 191

Serial No.

guarantors of interest on Capital and the remaining half will be ~~saved~~ shared by the Company and Government in the ratio of Capital contributed by them."

Dewan) 20/11

2728/20.11.14

Draft slightly revised and approved by Dewan

28.11.14.

Issue to-day
28/11/14

6. To.

The Comptroller to Govt:
do PWR Dy
Branch
Secy: to Govt:
Chairman Buncombe
Tuticorin Light
Ry:
The Secy to Govt PWD
No. 2288-92 dt 30-11-14
Directs that the balance
of amount required for
the completion and final
equipment of the B.C.L.
Ry. viz about 5 lakhs.
be contributed by Govt
bearing interest at 4 per cent

Ack B

NOTE—Contn. sheet.

GPB—60,000—7-11-13

EARLY.

Ry. 10]

Railway Secretariat. | File No. of 191

Serial No.

Letter No. 755/R.C.-161 dated 1st/3rd August 1914 from the Comptroller Public Works and Railway Branch to the Financial Secretary to Government regarding the deficiency in the share capital of the Bangalore-Chickballapur Light Railway.

DIARY No. 639
10/4-10/15
SECTION G.Z.
[illegible] 19-14
SERIAL No. 1.

******

No. 300
E. 3.

Passed on to the Financial Secretary to Government for favour of disposal.

Bangalore, 7th August 1914.

For Offg. Secretary for Railways
Government of Mysore.

7/8/14

GPB—1,500—5-8-13

GPB—2500—27 11-13

C. O. 44—Rec. 19]

Urgent.

OFFICE OF SECRETARY FOR RAILWAYS, P.W.D.
Reg. No. 326
3 AUG 1914
GOVERNMENT OF MYSORE.

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government, ~~Window delivery No. 6, Bangalore.~~ Public Works.

755

No. ~~R.C.~~ 161. 9/2

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

*Dated Bangalore, the* 1st August 1914.

3rd

FROM Diwan Bahadur
J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., ETC.,
*Comptroller to the Government of*
*His Highness the Maharaja of Mysore.*
Public Works & Railway Branch.

(Through the Secretary for Railways)

To

The Financial Secretary....., ~~Esq.~~,
to the Government of Mysore,
Bangalore.

SIR,

Deficiency in the share capital of the ~~Bangalore~~-Chickballapur Light Railway.

---

In continuation of this office letter No.4610/R.C. 566 dated 20th March 1914 I have the honor to enclose ~~herewith~~ herein copies of the × marginally noted communications for the information of Government, furnishing particulars of share capital as expected to be collected and as actually realised by the Company. It will be seen from them that the amount which the Company can find will not be enough for the demands on account of construction which is expected to be completed during the current year.

× 1. This office No.233/R.C.31 dated 9th July 1914.
2. Letter No. 78 dated 17th July 1914, from the Chairman, Bangalore-Chickballapur Light Railway Company.

2. The Chairman states that out of the shares allotted for Rs. ~~10,40,000~~ 10,40,400 against the estimated cost of ~~12~~ 12¼ lakhs of rupees for --

for the construction of the Bangalore Chickballapur Light Railway he has collected to end of June 1914, Rs.5,80,839/- and hopes to collect Rs.1,20,000 more during the current year, making in all - Rs.7,00,000/- approximately.

3. The net total of actual receipts to end of June 1914, -- after deducting the amount spent by the Company prior to the undertaking of the construction of the line by the Government is ---- Rs.5,27,529/- against which construction outlay to end of June 1914 was Rs.4,40,923/- as detailed in the margin.

4. The amount available for expenditure during the current -- year will therefore be -- Rs.2,06,606/- approximately, as detailed in the margin, which is not sufficient to meet the demands of the current year, to complete the construction and equipment of the Railway.

| | |
|---|---|
| 1912-13 | Rs.7,127. |
| 1913-14. | |
| Adjusted outlay to end of May 1914. | Rs. 3,97,696 ~~3,97,696~~ |
| June 1914 (approximate) | Rs. 36,100 |
| | Rs.4,40,923 |
| Actual Balance on hand | Rs. 86,606 |
| Probable amount of collections during the current year. | Rs.1,20,000 |
| | Rs.2,06,606 |

5. The Chairman ~~letter~~ states that the --- Board of Directors have decided upon applying for a Government loan to the extent of about 5 lakhs of rupees.

I have the honor to be,

Sir,

Your most obedient servant,

for DEPUTY COMPTROLLER,

P.W., & Railway Branch

Recd: 3.8.14.

I.S.

This has to await the Comp'y's applcn to Govt: for a loan amounting Rs: 5 lakhs.

1.8.14

Enclosed IV-1 114

Copy of the letter No.233/R.C.31 dated 9th July 1914 from the Comptroller, P.W., & Railway Branch to the Chairman Bangalore, Chickballapur Light Railway Company (Limited), Bangalore.

---

As required in my letter No.4032/R.C. 296 dated 23rd April 1913, I have the honor to request that the annual schedule of demands for the current official year 1914-15 may be kindly furnished both to the Engineer-in-Chief and to this office. Provision required to meet the expenditure to be directly incurred by the Chairman may be made under the Several debited heads of expenditure.

2. Information regarding the anticipated collections of the share capital during next year may also be noted with reference to this office letter No.6559/R.C.1051 dated 10th June 1914. As the construction will be pushed on to completion before 1st January 1915, it is requested that steps may be kindly taken to realise the balance of share collections to meet the demands for next year. If it is apprehended that there is any liklihood of any ~~discrepancy~~ deficiency in the share capital during next official year for completion of construction, timely intimation may be given to this office for apprising Government of the need for otherwise providing the required funds.

---

Copy.

Jerry Meehan.

HEAD CLERK, Correspondence Section,

P.W., & Railway Branch.

A.S.

Copy of the letter No.78 dated 17th July 1914 from the Chairman, Bangalore Chickballapur Light Railway Company Ltd., to the Comptroller to the Government of -- Mysore, Public Works & Railway Branch, Bangalore.

---

With reference to para 1 of your letter No.233/B.31 dated 9th instant, I have the honor to forward herewith copy of my letter No.5829 dated 15th April 1914 to the Engineer-in-Chief communicating to him the amount required for meeting the expenditure to be directly incurred by this Company during the year 1914-1915 under the several heads.

2. With reference to para 2 of the letter under reply, I have the honor to state as follows:--

41,616 shares of the nominal value of Rs.10,40,400/- were allotted up to 30th June last. Of these 15,047 shares of the nominal value of Rs.3,76,175/- with Rs.24,923/- paid up thereon, were forfeited, leaving 26,569 shares of the value of Rs.6,64,225/- in force, out of which 16,922 shares of the value of Rs.4,23,050/- have become fully paid up. - Out of the remaining shares, 4th call amounting to Rs.7,398/- on 1,949 shares, 2nd and 3rd calls amounting to Rs.30,555/- on 3,409 shares; 2nd, 3rd and 4th calls amounting to --- Rs.44,760/- on 3,133 shares and a sum of Rs.25,596/- on -- 1,156 recently allotted shares making a total of Rs.1,08,309/- are in arrears. Applications for the restoration of some of the forfeited shares and also for the allotment of fresh shares are being still received though in small numbers, and as matters stand at present, it is expected that another -- Rs.1,20,000/- in all would be collected by the end of the current official year bringing up the gross total of collections

collections to Rs. ~~70,00,000/-~~ 7,00,000/- out of an estimated gross total requirement of Rs.12¼ lakhs.

3. Owing to various causes, such, chiefly, as the want of timely and sufficient rains, and the starting of various industrial and economic concerns in different parts of the country, our earnest efforts to complete the share list and to collect the required Capital have not met with the expected success, and it is feared that it may after all become necessary for us ultimately to seek Government aid to the extent of about 5 lakhs of rupees either in the shape of an advance or debentures repayable as money is collected on the allotment of further shares, definite proposals regarding which will be submitted to Government by the Board in due course.

---

Copy

HEAD CLERK, Correspondence Section,

P.W., & Railway Branch.

A.S.

2/6.

G. R. S. 26]

File No. 19-14

Serial No. 2

Diary No. of letter replied to D 639

No. H 872

General and Revenue Secretariat

( )

, the 191 .

To ~~Secretary to the Govt~~ The ~~Comptroller to the Govt~~ Ref

~~P. W. & Ry Branch.~~

Date of issue 22-8-14

Signed by Mr T. Lakshmi Narasimha Rao

Sir,

With reference to ~~your~~ ~~Govt Proceedings~~ letter Ref

No: 755 dated the 18th August 1914 ~~requesting on a~~

~~regarding~~ the deficiency in the Share capital of the Bangalore Chickballapur Light Railways Co, I am directed to request to be informed whether any definite proposals in the matter referred to in para 3 of letter no 28 dated the

over. 17th

SUBJECT.

July 1914 from the Chairman of the Bangalore Chickballapur Light Railway Company have been received and if not to hand call for the same and forward it to Govt for reference.

The matter may be treated as urgent.

I have &c

for Secy (PW).

PW
22/8/14.

*List of enclosures,*

*Copied by*

*Examined by*

GPB—25,000—8-8-11.

Bangalore Chikballapur Light Railway Co. Ltd.

MUNDY BUILDINGS, CHAMARAJPET.

No. 442 Bangalore, 26th August 1914

From

Rajasabha Bhushana Dewan Bahadur,

K. P. Puttanna Chetty Esqr.,

Chairman, Bangalore-Chikballapur Light Railway Co.,

Bangalore.

To

The Financial Secretary

to the Government of Mysore, Bangalore.

Sir,

With reference to letter No.755/R.C.161 dated 1/3rd instant from the Comptroller to the Government of Mysore Public Works and Railway Branch to your address, I have the honor to inform you that the Directors of the Bangalore-Chikballapur Light Railway Company finding it difficult to raise further funds required for the construction of the Bangalore-Chikballapur Light Railway, have decided to apply to the Government of Mysore for Financial help as per marginally noted Resolution No.V dated 20th instant, and to request you to be so good as to move the Government of His Highness the Maharaja of Mysore to kindly grant

V. Read copy of letter No.R.755 dated 1/3rd August 1914 from the Comptroller to the Government of Mysore, P.W.& Ry Branch to the Financial Secretary to the Government of Mysore received from the Comptroller with his No.756/R.C. dated 1/3rd August 1914 regarding funds required for the construction of the Bangalore-Chikballapur Light Railway.

Resolved that as there is difficulty in raising further funds towards Capital, the Government of His Highness the Maharaja of Mysore be requested to contribute the balance of Capital required for the completion of the B. C. L. Railway and to share the profits proportionately.

grant the request of the Directors by contributing the balance of Capital required for the completion of the Bangalore-Chikballapur Light Railway sharing the profits thereof proportionately.

2. In view of the special circumstances of the case, the Directors venture to hope that this request, which they are reluctantly forced to make only after exhausting all their resources, will not be looked upon by Government as unreasonable, in-as-much as the extent of the aid they seek does not exceed what the Government are now granting to other similar undertakings with the object of encouraging local enterprise.

I have the honor to be,

Sir,

Your most obedient servant,

Chairman, B.C.L.Ry.

T.M.

G.R. 1914-6.

6 Copies

Proceedings of the Government of His Highness the Maharaja of Mysore.

R e a d:-

Letter No.442 dated the 26th August 1914 from the Chairman, Bangalore Chickballapur Light Railway Co., representing the difficulty felt in raising the balance of share capital required for completing the construction of the Railway and applying for Government help.

---

Order thereon No. Fe 2288-92 / Ej 7-19-14

Dated Bangalore, 30 ~~September~~ Nov 1914.

The Directors of the Company state that including the amount expected to be collected in the current year, they are able to furnish only about 7 lakhs towards the construction and first equipment of the Railway and they accordingly request that the balance of about 5 lakhs may be contributed by Government. They also propose that the amount advanced by

CVC 29/11

Government may be treated as the contribution of a partner and that the surplus profits of the Railway may be shared proportionately by the Company and Government.

2. Government are pleased to direct that the balance of amount required for the completion and first equipment of the line be contributed by Government. The amount required this year will be met out of the ~~amount~~ sum allotted in the budget for assistance to subsidised railways.

3. The Bangalore Chickballapur Light Railway is the first venture of its kind in the State and Government would be glad to allow the Company to be ~~its~~ the sole proprietors and to treat in the meantime their contribution as a loan to the Company bearing interest at 4 per cent per annum. As however the Directors prefer the arrangement of joint proprietorship of the Railway Government have no objection to it. (accepting this proposal.)

At the same time Government will be prepared to consider proposals on the part of the Company to become the sole proprietors of the Railway by buying up the interest of Government in it, if the Company are able to do so within a period of five years from the opening of the line for traffic, by issue of more shares or by floating a debenture loan.

4. The agreement now drawn up contemplates the ownership of the Railway exclusively by the Company and accordingly provides for various powers of control by the Company. In view, however, of the fact that a large portion of the capital has now to be furnished by Government and the consequent material alteration in the circumstances of the case, final powers of control, will, on all points, and in every respect, rest with Government.

Of the surplus left after paying interest at 4 per cent on the capital contributed by the Company and Government, ~~will~~

half will go to Govt as guarantors of interest on capital and the remaining half will be shared ~~be equally divided between them.~~ by the Company and Government in the ratio of the Capital contributed by them.

Financial Secretary to Govt.

RB

by
9/9/14

To The Comptroller.
——do—— P.W. & R. & B.
Secretary to Govt for Railways
The Chairman, Bangalore-Chicktballapur Light R'y Co.
The Secretary to Govt P.W.D.

R.